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Attorneys for Defendant and Counterclaimant,
Blockbuster Inc.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

NETFLIX, INC., a Delaware corporation,

Plaintiff,

v.

BLOCKBUSTER, INC., a Delaware
corporation, DOES 1-50,

Defendant.

Case No. C 06 2361 WHA

**STIPULATION AND [PROPOSED]
ORDER REGARDING TIME TO FILE
RESPONSE TO COUNTERCLAIMS**

AND RELATED COUNTER ACTION.

WHEREAS, Netflix, Inc. (“Netflix”) and Blockbuster, Inc. (“Blockbuster”) (collectively, “the Parties”) have previously stipulated that Blockbuster shall have until twenty (20) days after the Court entered its Order on Netflix’s Motion to Dismiss or, Alternatively, to Bifurcate and Stay Defendant Blockbuster’s Antitrust Counterclaims and to Strike Affirmative Defenses of Unenforceability and Patent Misuse (the “Motion to Dismiss”) to file its Answer and Counterclaims to Netflix’s First Amended Complaint;

WHEREAS, under Federal Rule of Civil Procedure 12(a)(4)(A), Netflix’s reply to Blockbuster’s counterclaims filed on June 13, 2006 would be due ten (10) days after Netflix received notice of the Court’s entry its Order denying the Motion to Dismiss; and

WHEREAS, the Parties agree that it is unnecessary for Netflix to file a reply to Blockbuster’s current counterclaims, as Blockbuster intends to file another Answer and Counterclaims in response to Netflix’s First Amended Complaint, as set forth above,

THEREFORE, the Parties stipulate that Netflix shall not be required to file any reply to Blockbuster’s Answer and Counterclaims that were filed on June 13, 2006. Instead, Netflix shall file its response to Blockbuster’s Answer and Counterclaims in response to Netflix’s First Amended Complaint within the time provided for by Federal Rule of Civil Procedure 12(a)(2).

DATED: September 6, 2006

KEKER & VAN NEST, LLP

BY: /s/

Eugene M. Paige

Attorneys for Plaintiff and Counterclaim Defendant
Netflix, Inc.

DATED: September 6, 2006

ALSCHULER GROSSMAN STEIN & KAHAN LLP

BY: /s/

William J. O’Brien

Attorneys for Defendant and Counterclaim Plaintiff
Blockbuster, Inc.

I hereby attest, pursuant to section X of General Order 45, that concurrence in the filing of this document has been obtained from William J. O'Brien, Esq., Attorney for the Defendant and Counterclaim-Plaintiff.

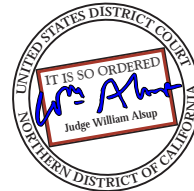
Dated: September 6, 2006

By: /s/ Eugene M. Paige _____

[PROPOSED] ORDER

PURSUANT TO STIPULATION, IT IS SO ORDERED:

Dated: September 11, 2006



HON. WILLIAM ALSUP
UNITED STATES DISTRICT JUDGE